

**FAC No. IA-**[text deleted]

**PENALTY NOTICE**

General Manager  
Turkish Airlines  
Building 77, JFKIA  
Jamaica, NY 11430

Dear Sir or Madam:

A Prepenalty Notice ("Notice") dated August 9, 2006, a copy of which is enclosed, was issued by the Office of Foreign Assets Control ("OFAC") to Turkish Airlines for having engaged in prohibited transactions, detailed in the Notice. Inasmuch as no license or authorization was issued by OFAC prior to these transactions, Turkish Airlines appears to have violated the Iranian Transactions Regulations, 31 CFR Part 560 (the "Regulations"), promulgated under the International Emergency Economic Powers Act, 50 U.S.C. § 1701 *et seq.* ("IEEPA") and the relevant Executive Orders. See §§ 31 CFR §560.204.

Section 206 of IEEPA, 50 U.S.C. §1705, provides, in part, for a civil penalty not to exceed \$10,000 for each such violation.<sup>1</sup> The Notice proposed a penalty in the amount of \$2,226.24 and advised Turkish Airlines that it had a right to make a written presentation to OFAC, within thirty (30) days of the mailing of the Notice, setting forth reasons why the penalty should not be issued or, if issued, why the amount should be less than proposed.

Turkish Airlines did not provide a written response to the Notice.

After careful review of the entire file, it is determined that Turkish Airlines did violate IEEPA, the Regulations and the pertinent Executive Orders and a monetary penalty of \$2,226.24 is warranted.

A check payable to the "**U.S. Treasury**" in the amount of **\$2,226.24** should be sent, within 30 days of the mailing of this Penalty Notice, to Office of Foreign Assets Control (Attention: Civil Penalties), U.S. Department of the Treasury, 1500 Pennsylvania Avenue, N.W., Washington, D.C. 20220. Interest, administrative charges, and late fees will commence to accrue after 30 days. Under Public Law 97-365, 31 U.S.C. § 3717, interest at an annual rate of 5% and an administrative charge of \$12.00 will be added if the amount is not paid by the due date. Should the amount not be paid within ninety (90) days, an additional late charge of 6% will be added.

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<sup>1</sup> Section 4 of the Federal Civil Penalties Inflation Adjustment Act of 1990 (Pub. L. 101-410, 104 Stat. 890, 28 U.S.C. 2461 note), as amended by the Debt Collection Improvement Act of 1996 (Pub. L. 104-134, § 31001(s)1, Apr. 26, 1996, 110 Stat. 1321-373--jointly, the "FCPIA"), requires each Federal agency with statutory authority to assess civil monetary penalties ("CMPs") to adjust CMPs for inflation according to a formula described in § 5 of the FCPIA. Accordingly, on October 23, 1996, OFAC published in the Federal Register the required amendment, effective October 21, 1996, to the Regulations adjusting its CMP to \$11,000. See 61 FR 54936 at 54939.

Please note that § 560.706 of the Regulations provides that this matter may be referred either for Treasury Department administrative collective measures or to the United States Department of Justice for appropriate action to recover the penalty in a civil suit in Federal District Court if such payment is not made.

**Please further note that 31 U.S.C. § 7701 requires that a person assessed a penalty by a Federal agency furnish a Taxpayer Identification/Social Security Number. OFAC intends to use such number for the purpose of collecting and reporting on any delinquent penalty amount in the event of a failure to pay the penalty imposed.**

Sincerely,

[signature]

Adam J. Szubin  
Director  
Office of Foreign Assets Control